



CALIFORNIA STRATEGIC GROWTH COUNCIL

Updated INFORMATIVE DIGEST/ POLICY STATEMENT OVERVIEW

There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action. The remainder of this document sets forth the Informative Digest originally included in the Notice of Proposed Rulemaking.

The purpose of the Program is to fund plans that include multiple, coordinated greenhouse gas emissions reduction projects within disadvantaged communities. (Pub. Resources Code § 75240.) The Council is authorized to develop guidelines and selection criteria to govern implementation of the Program and the award of Program funds. (*Id.* § 75242.) The statute specifically authorizes the Council to prioritize awards in areas that have a high proportion of census tracts identified as disadvantaged communities and that focus on communities that are most disadvantaged. (*Id.* § 75242(b)(2).)

The Council will develop the Program guidelines and selection criteria in phases. The first phase, which is the subject of this action, proposes to allocate a portion of total program funds for applications from specific geographic locations. Future phases of the guidelines development will specify selection criteria and competitive process for individual applications as well as procedures for Program implementation.

Specifically, this proposed action does two things. First, it would specify that Program funds shall be allocated in the City of Los Angeles, the City of Fresno and a third location. Second, it specifies that a minimum of fifty percent of the Program funds shall be allocated within the City of Fresno and a minimum of twenty five percent within the City of Los Angeles.

Summary of Existing Laws and Regulations Related Directly to the Proposed Rulemaking

Senate Bill 732 (Steinberg, 2008) created the Council. The Council is a cabinet level committee that coordinates the activities of state agencies to:

- Improve air and water quality
- Protect natural resources and agriculture lands
- Increase the availability of affordable housing
- Promote public health
- Improve transportation
- Encourage greater infill and compact development
- Revitalize community and urban centers
- Assist state and local entities in the planning of sustainable communities and meeting AB 32 goals

The Council administers several programs using revenues raised from Cap and Trade allowance auctions, also known as the Greenhouse Gas Reduction Fund (GGRF). For example, the Council's Affordable



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Housing and Sustainable Communities (AHSC) Program provides grants and affordable housing loans for compact transit-oriented development and related infrastructure and programs that reduce greenhouse gas emissions.

Senate Bill 535 (de León, 2012) requires that certain portions of GGRF provide benefits to disadvantaged communities, and at least some projects be located within disadvantaged communities.

Assembly Bill 2722 (Burke, 2016) created the Program to fund plans that include multiple, coordinated greenhouse gas emissions reduction projects within disadvantaged communities. (Pub. Resources Code § 75240.)

Summary of the Effect of the Proposed Rulemaking

The effect of the proposed rulemaking will be to specify how and where certain Program funds are to be allocated.

Policy Objectives and Specific Benefits Anticipated by the Proposed Regulation Including Non-monetary Benefits

Consistent with the legislative intent described in Assembly Bill 2722, this proposed action will advance several policy objectives. As explained in more detail in the Initial Statement of Reasons, the Council intends for the Program to enable transformative change in disadvantaged communities. The Public Resources Code authorizes the Council to prioritize severely disadvantaged communities, and the cities of Fresno and Los Angeles have the largest populations living in the most severely disadvantaged communities as described in Section 39711 of the Health and Safety Code.

Additionally, this action proposes that Program funds be allocated in a few large investments, rather than numerous and comparatively small awards. This type of targeted investment is more likely to attract catalytic private resources.

By leveraging public investments in inadequate infrastructure, the funds are intended to allow neighborhoods to become communities where businesses have access to workers, workers have access to jobs, and residents have access to safe, environmentally sound places to live.

The Proposed Regulation is Not Inconsistent with or Incompatible with Existing State Regulations

The Council evaluated the regulations for inconsistency or incompatibility with existing state regulations and has found that these are the only regulations dealing with the Transformative Climate Communities Program. Therefore, the proposed regulation is not inconsistent or incompatible with existing state regulations.